

**EXECUTIVE SUMMARY
FOR THE WEST ALLIS-WEST MILWAUKEE SCHOOL DISTRICT
AGENDA**

Topic: 2025-2026 Preliminary Budget & Tax Levy

Prepared by: Aaron Norris, Assistant Superintendent

Date: June 23, 2025

Agenda Reference # 10.1

Recommended Action:

<u> X </u>	Discussion/Action
<u> </u>	Presentation/Discussion
<u> </u>	Information Only
<u> </u>	Presentation/Action Next Meeting

Recommendation(s):

Administration recommends that the Board of Education approve the 2025-2026 Preliminary Budget and Tax Levy.

Purpose:

The purpose is to review the District's current budget projections for the 2025-2026 school year, keeping in mind that adjustments will need to be made to the final budget the board passes in October based on final pupil count calculations and certified general state aid amounts.

Background:

Each year, the administration prepares a preliminary budget outlook for the Board of Education. This year, an initial budget workshop was held for the Board of Education which included a look at our District's estimated revenue limit on June 9, 2025. Based on the data presented at these workshops and state aid estimates, attached is the proposed 2025-2026 Preliminary Budget and Tax Levy for all funds.

The attached document lists revenues and expenditures for both Fund 10 and Fund 27. Fund 27 is included as it is an integral part of Fund 10 because Fund 10 dollars are used to balance Fund 27 to net zero at year-end. This is a requirement by DPI.

Tax Levy and Mill Rate History and Projections:

Tax Levy and Mill Rate History and Projections		
	Total School-Based Tax Levy (All Funds: 10, 38, 39, 80)	Mill Rate
2017-2018	\$47,080,571	\$10.99
2018-2019	\$41,769,014	\$9.54
2019-2020	\$41,834,530	\$9.24
2020-2021	\$42,825,395	\$8.75
2021-2022	\$40,226,578	\$7.55
2022-2023	\$40,194,962	\$6.58
2023-2024	\$44,017,654	\$6.69
2024-2025	\$47,354,650	\$6.61
2025-2026 Projected	\$57,688,873	\$7.53

The reason for the heightened 2017-2018 mill rate stemmed from the OPEB settlement our District received in 2016-2017. In 2018-2019, we assumed the sale of our administrative building, which generated additional local revenue and impacted our mill rate in 2019-2020. However, as our mill rate was expected to drop in 2019-2020, the impact of the building sale revenue on the mill rate was not as significant and caused a slightly less steep drop. In 2020-2021 and 2021-22, our resident membership declined at a greater rate than it previously had been, as was the case across the state for the majority of school districts due to COVID-19. Due to the revenue limit's declining enrollment exemption and hold harmless factors, this actually increased our total revenue limit from initial projections, and thus our tax levy and mill rate in 2020-2021. In 2021-2022 and 2022-2023 our tax levy and mill rate decreased due to some increased state aid from the increased revenue limit ceiling up to \$11,000. In 2023-2024 our mill rate and tax levy increased due to increased private school vouchers, as well as the increase in the Fund 80 Levy to accommodate the new Recreational Center at the Lane site. Finally, in 2024-2025 we saw a sharp increase in the levy due to a reduction in shared costs during that 2023-24 fiscal year that resulted in less aid this year. This was the main reason for the increase in the levy, however the mill rate decreased due to an 8.8% rise in equalized property values.

Our total tax levy is again expected to increase in 2025-2026 and again over the next few years due to the November 2024 passed referendum. Some other drivers of the levy increase is the additional \$325 per pupil allocation per year as well as the TOS exemption increases due to SPED transfers in 2024-25. Along with it, our mill rate is expected to follow that same pattern during the same time period.

A number of factors impact a district's mill rate. The revenue limit calculation, a formula dictated by State statute, dictates our total revenue we can receive for Funds 10 and 38 by way of property taxes and state aid. The State then identifies the aid each district will receive. Total revenue limit less state aid equates to the school-based portion of the property tax levy. After the Fund 80 levy is added in, this becomes our total school-based portion of the property tax levy. This total property tax levy is divided amongst the equalized value of all municipalities in our district to identify the mill rate.

There are many factors that have contributed to our recent declining tax levy and mill rate. It should be noted that 2025-2026's projected mill rate is still a full \$2.00 less than where our mill rate sat on average for the last decade.

Impact of the Wisconsin State Budget:

The State's biennial budget is still in flux, but once an agreement is made it will span from 2025-27. The 2025-26 fiscal year will be the first year of the biennial agreement. There is still much to be settled, but our budget assumptions were built off of the following.

- Revenue Limit Per Pupil Adjustment: all districts will get +\$325 per pupil in FY24 and FY25
- Per Pupil Aid: remains at \$742/pupil (same as for 2024-25)
- Special Education Aid: funding at an estimated 29.6% reimbursement rate for FY26 consistent with prior year sum-certain amounts.

Attachments:

[Proposed 2025-2026 Budget Presentation](#)